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ABSTRACT

A bibliography on the development, implementation, and refinement of the process of verification of student financial aid application information is presented. The concept of verifying the information supplied by applicants has taken place since the federal financial aid programs began. Abstracts for 50 documents prepared since 1978 are presented. Each entry indicates the author/institution, sponsoring agency, publication date, source, and the ERIC accession number. Many of the documents were instrumental in the creation of the federal verification system and others address salient points regarding various aspects of verification. (SW)

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Introduction

The concept of verifying the information supplied by applicants for Federal student aid is not new, and verification has taken place in one form or another since the Federal financial aid programs begun. This bibliography contains abstracts of pertinent documentation from 1978 and chronicles the development, implementation and refinement of the process of verification. Many of these documents were instrumental in the creation of the Federal verification system and others address salient points regarding various aspects of verification.

Each of the documents contained in this volume is available from one of the sources listed below. The Educational Resources Information Clearinghouse (ERIC) is an organization supported by the U.S. Education Department whose function is to identify and disseminate educational information. Documents from ERIC are available as microfiche or hard copy. A microfiche copy or photocopy can be requested from many libraries possessing an ERIC microfiche collection. Microfiche and photocopies can also be ordered through the ERIC Document Reproduction Service (EDRS), P.O. Box 190, Arlington, VA 22201.

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441 G Street, N.W.
Washington, D.C. 20548

A second annotated volume of bibliographic references related to verification will be available next year.

A Comparison of Reported Incomes: BEOG vs. PCS.

Author/Institution: Schonhart, Paul T.

Source: Journal of Student Financial Aid

Publication Date: May 1975

Abstract: A comparison of 1973 gross income reported on The Parents' Confidential Statement (PCS) and the Basic Grant Student Eligibility Report (SER) of students at State University College at Fredonia, New York, revealed patterns of both overestimating and underestimating reported income. Implications for income verification and for application timetables and procedures are noted.

ERIC Accession Number: EJ124459.

Stretching Your Financial Aid Dollars: Another Look at Income Verification.

Author/Institution: Diegnau, Sylvia I.; Van Dusen, William D.

Source: Journal of Student Financial Aid

Publication Date: November 1975

Abstract: Reports a study comparing information from federal income tax returns with that on the Parents' Confidential Statement for student financial aid applications at California State University, Long Beach. Results correspond with those of a similar national study: Although the majority of parents provide accurate information, verifying data is still important.

ERIC Accession Number: EJ129598.

Validation of Student and Parent Reported Data on the Basic Grant Application Form. Final Report. Volume III, Internal Revenue Service Comparison Study.

Author/Institution: Kuchak, JoAnn. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: November 19, 1976

Abstract: Application forms for the Basic Educational Opportunity Grant (BEOG) Program for 1974-1975 were compared to Internal Revenue Service (IRS) tax forms to determine the scope of applicants' misreporting and to identify categories of applicants who tend to misreport. A total of 70,063 tax forms and BEOG records from eligible and ineligible applicants were examined. It was found that while overall accuracy of reporting was high, variations in the level of accuracy occurred for eligible and ineligible applicants, and dependent and independent students. For every variable (income, taxes, and household size), ineligibles tended to be more accurate than eligibles. Eligible students with adjusted gross incomes below $4,000 were the most accurate reporters of taxes but were the least accurate reporters of adjusted gross income. Independent students were among the least accurate reporters of income but were the most accurate reporters of taxes. More than 87 percent of all eligibles were found to report household size accurately. The impact of substituting IRS-reported data for BEOG reported data in the eligibility formula was also considered. Appendices provide statistical findings and analyses, and detailed information on the study methodology, including a summary of computer programming activities.

ERIC Accession Number: ED262738

Validation of Student and Parent Reported Data on the Basic Grant Application Form. Final Report. Volume VI, Executive Summary.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: November 23, 1976

Abstract: Objectives and findings of the Basic Grant Validation Study, which investigated the validity of information provided by applicants to the Basic Educational Opportunity Grant (BEOG) program, are described. Implications of the findings for financial aid application validation are also discussed. Seven separate studies were conducted in order to: determine the degree of actual and potential program abuse; identify the characteristics of applicants who misreport personal and/or family financial circumstances; and establish procedures to regularly screen and correct erroneous applications. Validation of individual applications was undertaken, based on cases referred by college financial aid officers as well as randomly selected applications identified by a set of pre-established criteria. Also examined were applications from individuals whose financial circumstances had changed significantly during the application year and whose BEOG eligibility was therefore based on estimates of their income. The overall accuracy of income estimates was investigated by comparing income tax records with data reported on BEOG supplemental applications forms. To determine the overall scope and nature of misreporting, BEOG applications were matched with income tax forms submitted to the Internal Revenue Service.

ERIC Accession Number: ED262739

Validation of Student and Parent Report Data on the Basic Grant Application Form. Final Report. Volume 1, Individual Validation Studies: Institution Referral Study, Pre-established Criteria Study.

Author/Institution: Vogel, Ronald J. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: January 7, 1977

Abstract: Errors made on applications to the Basic Educational Opportunity Grant (BEOG) program were studied to determine the scope and nature of misreporting and misuse of the BEOG program. Characteristics of applicants who misreport personal and/or family financial circumstances were identified, and procedures were established to regularly screen and correct erroneous applications. In 1975, educational institutions referred to the U.S. Office of Education applications containing discrepancies in reported information. Attention was directed to reasons for institution referrals, the prevalence of confirmed errors on Student Eligibility Reports (SER), applicant characteristics associated with SER errors, and characteristics of schools sending referrals. Another study investigated a random sample of 1,383 applicants who were selected based on 1974-1975 and 1975-1976 applications that were believed to entail errors on Student Eligibility Reports (SERs). The "high risk" applicants were selected according to specific criteria, including very low adjusted gross income, and submitting SER corrections resulting in substantially reduced eligibility indices. Aspects of the validation process that should be retained, replaced, or modified were also evaluated, with attention to the number of transactions required to resolve a referral and the effectiveness of efforts to obtain additional information on applicants.

ERIC Accession Number: ED262736

Validation of Student and Parent Report Data on the Basic Grant Application Form. Final Report. Volume II, Estimated Income: CRT Look-Up Study, Individual Case Follow-Up Study, IRS Sample Study.

Author/Institution: Novalis, Carol. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: January 7, 1977

Abstract: The use of estimated income to analyze financial need of applicants to the Basic Educational Opportunity Grant (BEOG) program was investigated. Attention was focused on: how well applicants estimate their income; reasons for errors in estimation, and whether applicants supplying income tax returns supply true versions. For 1,547 eligible BEOG applicants, estimates of income on a 1974-1975 supplemental application were compared with estimates made on regular 1975-1976 applications. Findings included: those with lower incomes were more accurate in estimating income, while those with higher incomes more often overestimated; the later in the year the supplemental application was filed, the more accurate the income estimate; accuracy was not related to the date in which the 1975 application was filed; and as the rate of accurate estimation increased, the size and the frequency of discrepancies became smaller. Compared to the first study, a followup study of individual cases found 11 percent fewer applicants who estimated accurately within $300. An additional study compared 1974-1975 estimated income with 1974 income tax return data for 2,840 eligible applicants and 1,750 ineligibles. Another analysis assessed the accuracy of estimation for applicants judged to be ineligible based on their supplemental BEOG applications.

ERIC Accession Number: ED262737

Validation of Student and Parent Report Data on the Basic Grant Application Form: Institution Referral Study, Pre-established Criteria Study, Overpayment Recovery. Final Report, Volume 2.

Author/Institution: Vogel, Ronald J.; And Others. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: June 30, 1977

Abstract: The types and ranges of errors made on applications to the Basic Educational Opportunity Grant (BEOG) program were studied, along with procedures used in recovering overpayments. The objective was to assess the scope and nature of misreporting and misuse of the BEOG program. A 1975-1976 study reviewed cases referred to the U.S. Office of Education by educational institutions. Special attention was given to the reasons for institution referrals, the prevalence of confirmed errors on Student Eligibility Reports (SER), applicant characteristics associated with SER errors, and characteristics of schools sending referrals. Another study investigated a random sample of about 6,000 applicants who were selected based on 1976-1977 applications that were believed to entail errors on Student Eligibility Reports. The "high risk" applicants were selected according to specific criteria, including inconsistencies in taxes paid and reported income on the application; household size was not equal to reported tax exemptions, and SER corrections resulted in Student Eligibility Index changes greater than 250 points. Also assessed was a formal method of identifying overpayment cases and collecting BEOG funds disbursed to ineligible applicants. Statistical findings of the studies are included.

ERIC Accession Number: ED262731

Validation of Student and Parent Reported Data on the Basic Grant Application Form: Corrections Analysis Study. Final Report, Volume 4.

Author/Institution: Vogel, Ronald J. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: October 24, 1977

Abstract: A study was conducted in 1976 of applicants who submitted corrections or amendments to their Student Eligibility Reports (SERs) for the Basic Educational Opportunity Grant (BEOG) Program. The objective was to review the applications corrections process and to determine factors linked to applicants' use of correction procedures. Attention was focused on: characteristics of applicants using and not using the corrections system; types of corrections submitted; types and frequency of data fields corrected; degree of change in Student Eligibility Indices associated with corrections; and significance of various processing comments in terms of the type and frequency of corrections submitted. Applicant variables included: total taxable and nontaxable income, household size, marital status, and the length of time an applicant had been in postsecondary education. It was found that almost 50 percent of all corrections came from applicants reporting incomes over $12,000 a year. Additional findings are reported, along with recommendations, including: BEOG eligibility should not be established for any application that is incomplete or problematic; any SER correction resulting in BEOG eligibility for an applicant whose initial application indicated ineligibility should not be accepted. The appendices contain detailed statistical findings presented in approximately 100 tables.

ERIC Accession Number: ED262732

Validation of Student and Parent Reported Data on the Basic Grant Application Form: Institution/OE Referral Study, Pre-Established and ACT Criteria Study, Overpayment Recovery. Final Report, Volume 2.

Author/Institution: Walters, Pamela Barnhouse; And Others. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: July 31, 1978

Abstract: The validity of information provided in applications to the Basic Educational Opportunity Grant (BEOG) program was studied, along with procedures used in recovering overpayments. The objective was to investigate misreporting and misuse of the BEOG program. A 1977-1978 study reviewed cases referred to the U.S. Office of Education by educational institutions. Attention was directed to reasons for institution referrals, the mode of case resolution, the impact of the validation process on Student Eligibility Indices, the impact on changes to individual Student Eligibility Reports (SERs) entries, and types of documentation used to support case referrals. Another study investigated a random sample of about 8,000 applicants who were selected based on 1977-1978 applications that were believed to entail errors on SERs. The criteria identified cases in which internal inconsistencies were apparent in the application. In addition, a separate set of criteria for identification of potential misreporters was developed: American College Testing Program criteria that accounted for possible sources of error that had been identified through past validation efforts and studies. The outcomes of the first year of operation of the Overpayment Recovery System were also assessed. Statistical findings of the studies are included in approximately 50 tables.

ERIC Accession Number: ED262733

Stage I Final Report for the Study of Program Management Procedures in the Campus-Based and Basic Grant Programs (Volume I)

Author/Institution: Puma, Michael J.; And Others. Applied Management Sciences, Inc. Silver Spring, Md.

Sponsoring Agency: Office of Education (DHEW), Washington, D.C. Office of Evaluation and Dissemination.

Publication Date: September 1978

Abstract: The third phase of SISFAP (Study on the Impact of Student Financial Aid Programs), the primary purpose of this study is to evaluate federal and institutional management policies and practices for Basic Educational Opportunity Grant (BEOG) and campus-based programs as they impact on the extent to which the programs are meeting their legislative goals. Reported are some preliminary activities of the study of program management procedures, which consisted of the analysis of existing (i.e. secondary source) data and the development of a complete research design for Stage II data collection and analysis. Tasks involved included: searching all available literature to uncover prior research related to the study; documentation of potentially usable data files; development of plans for data analysis; design of a sampling plan and data collection procedures; development of survey instruments; and compilation of these components into a survey clearance package of submission to the Education Data Acquisition Committee of the U.S. Office of Education (USOE) and to the Office of Management and Budget (OMB). Chapters provide an introduction to the study, a summary of Stage I activities, and plans for Stage II activities. Appendices and illustrations provide material on institutional eligibility, program monitoring, sources of student information, institutional reporting, BEOG application processing and validation, student need analysis systems, USOE guidelines for student budgets, procedures for ensuring compliance with regulations, allocation of aid to institutions, and National Direct Student Loan Program defaults.

ERIC Accession Number: ED187261.

Validation of Student and Parent Reported Data on the Basic Grant Application Form. Pre-Award Validation Analysis Study: Phases I and II Report.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: March 1, 1979

Abstract: A Pre-Award Validation Analysis was conducted in 1978-1979 to provide the federal government information about the accuracy of data provided by applicants for Basic Educational Opportunity Grants. New procedures involved: validation of selected applications by college financial aid officers using documentation such as Federal Income Tax forms; tightening application edits; and establishing a multiple data entry procedure (i.e., applicants use three other application forms). The validation analysis focused on: characteristics of applicants selected and not selected for validation; characteristics of colleges selected by applicants; effectiveness of the validation selection criteria in terms of corrections submitted and impact on eligibility index; and impact of the new and tightened edits introduced in 1978-1979. A total of 96,585 validation applicants and 1,571,261 nonvalidation applicants were evaluated. Most of the analysis focused on characteristics of currently or previously eligible, regular applicants (i.e., those not applying for special consideration of changes in income). About 3 percent of all applicants and 6 percent of the regular eligibles were selected for validation. Appendices provide statistical findings and information on computing the eligibility index when the applicant is rejected.

ERIC Accession Number: ED262728

1976-77 Internal Revenue Service Comparison Study. Final Report.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington D.C.

Publication Date: August 16, 1979

Abstract: Application forms for the Basic Educational Opportunity Grant (BEOG) program for 1976-1977 were compared to 1975 tax forms filed with the Internal Revenue Service (IRS). Comparisons were also made to data from a similar 1974-1975 study. Based on a sample of 212,263 applicants, findings include the following: during 1976-1977, 70.7 percent of all regular applicants in the sample reported adjusted gross incomes that were within $50 of IRS-reported data; low income applicants were less accurate in reporting income to the BEOG program than higher income applicants; household size were accurately reported by 89.9 percent of applicants; eligible applicants were at least three times more likely to underreport their incomes to the BEOG program by more than $5,000 than were ineligible applicants; almost 70 percent of all regular applicants' IRS-based Student Eligibility Indexes (SEIs) were within 50 points of their BEOG SEIs; and 17.7 percent of all very low income applicants (below $1,000) evidenced IRS-based SEIs that were 800 points or more higher than their BEOG SEIs. Information is also provided on: the reporting of negative income, responses to processing edits and corrections, dependent students' income, and the utility of selected validation criteria used in BEOG pre-award validation.

ERIC Accession Number: ED262727

Student Financial Aid and Persistence in College.

Author/Institution: Astin, Helen S.; Cross, Patricia H. Higher Education Research Inst. Inc. Los Angeles, Calif.

Sponsoring Agency: EXXON Education Foundation, New York, N.Y. Office of the Assistant Secretary for Planning and Budget (ED), Washington, D.C.

Publication Date: September 1979

Abstract: The administration, purpose, and design of student financial aid programs are examined with emphasis on assuring greater access to higher education, student persistence, and providing students with incentives for performing well academically. After a brief history of financial aid and a review of selected studies on persistence, the sampling and data collection procedures are described. A profile of students 2 years after matriculation in college is provided, including demographic characteristics, enrollment behavior, residence, experience in college, work, and financial aid. The characteristics of students with different patterns of persistence are discussed in terms of religion and political orientation, parental income and education, degree plans, values and attitudes, financial experience, work experience, and reasons for leaving school. A separate chapter gives an overview of the financial aid environment in American colleges and universities today. The last two chapters, utilizing a multiple regression analysis, assess the impact of personal, environmental, and financial variables on persistence and withdrawal among white and minority students. Implications for future policies are addressed. Among the several suggestions are the following: more sources of information about student financial aid should be made available to students; loans, especially large ones, are the worst possible form of aid to offer low-income and minority students; and the government should consider expanding grant and work-study programs. Appendices include: survey instruments; creation of financial aid variables; development of persistence categories; a verification study of financial aid data reported by students; and variables used in regression analyses.

ERIC Accession Number: ED221078.

Validation of Student and Parent Reported Data on the Basic Grant Application Form: Pre-Award Validation Analysis Study. Revised Final Report.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: September 26, 1979

Abstract: The 1978-1979 pre-award institution validation process for the Basic Educational Opportunity Grant (BEOG) program was studied, based on applicant and grant recipient files as of the end of February 1979. The objective was to assess the impact of the validation process on the proper award of BEOGs, and to determine whether the criteria for selecting students for validation could be improved. The validation population of 119,790 applicants was comprised of two groups: those selected according to pre-established criteria (87 percent) and those selected at random (13 percent). The rest of the applicant population consisted of those who met the pre-established criteria and those who did not. In almost 90 percent of the validation cases, data items were valid. The processing system edits appeared to be eliciting valid data, resulting in an accuracy rate of about 90 percent for each of the validation fields. The edits were causing applicants to make most of the necessary corrections to applications before validation. The criteria used to select applicants for validation were generally adequate in detecting misreporting. However, individual criteria varied in their effectiveness.

ERIC Accession Number: ED262734

Zero Income Basic Grant Applicants. Phase II Report.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: September 29, 1979

Abstract: The nature and extent of corrections made to their records by zero/low income applicants to the Basic Educational Opportunity Grant (BEOG) program was investigated. Behaviors of zero/low income applicants and the total pool of applicants were also compared. It was found that zero/low income applicants and all applicants who were rejected displayed similar patterns of behavior in receiving comments and making corrections to their applications. The edit process prior to selection for validation appears to work well, resulting in valid applications for more than 90 percent of the cases selected for validation, across key data fields and typologies. Compared to other applicants, the zero-income applicants tended to be more accurate in reporting all fields except adjusted gross income and family size. Low income applicants were more likely to submit corrections than other applicants, but less likely to have these corrections result in significant changes to the eligibility indexes than other applicants. While the proportions of the applicants who meet zero/low income profiles and/or are rejected are quite small, these applicants appear to have difficulty in accurate reporting. A very small proportion may be deliberate misreporting, but most seem to have misunderstood the requirements of the BEOG application.

ERIC Accession Number: ED262726

Corrections Analysis Report: Phase II.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: September 30, 1979

Abstract: The validity of data provided through rejection edits of students applying for Basic Educational Opportunity Grants (BEOGs) was assessed. The question of whether some edits were associated with applicants' failure to reapply was also considered. The analysis used the 1978-1979 BEOG applicant population. A total of 3,823,008 applicants had applied for BEOGs and 120,005 had been selected for validation. Although rejection comments that were studied varied in effectiveness, they generally identified greater levels of misreporting than were found through validation of a representative sample of applicants. Ninety-seven percent of the applicants who were ever rejected were rejected on their initial application. Applicants rejected for reporting inconsistencies in their assets tended to have the highest rates of reapplying and obtaining an eligibility index. Applicants who were most likely to be rejected reported inconsistencies concerning marital status, income, or household size. These applicants also had low rates of reapplying. With some exceptions, the edits appeared to identify problems and increase data validity. However, some applicant subgroups needed assistance in obtaining an eligibility index after rejection. Appendices provided statistical findings and rejection codes (e.g., income by rejection reason).

ERIC Accession Number: ED262729

Basic Educational Opportunity Grant Quality Control Study: Methodological Report, Volume II.

Author/Institution: Macro Systems, Inc. Silver Spring, Md. Westat Research, Inc. Rockville, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date. October 1979

Abstract: The Basic Educational Opportunity Grant Quality Control Study, Volume II focuses on study procedures used for the analytical report recorded in Volume I of the study. Copies of all data collection forms are included along with file layouts, field procedures and other general information letters. It is intended to provide a description of the sampling procedures that were followed in drawing the institutional and student/parent respondents; the preparation of the data forms, which include questionnaires, coding forms, and instructional letters; the pilot study; and the actual fielding of the study. The accompanying appendix, which is bound separately, contains: file format for institutional master file; procedures for selecting student sample from institutional records; summary report of pilot test; proposed tolerance levels; and field procedures documentation. Also provided are tables, figures, and exhibits that offer such information as ADS samples; flow diagram for preparation of sampling forms; flow chart of IRS activities; project summary sheet; parent coding form; status of school sample; disposition file update; BEOG validation form; and variability statistics.

ERIC Accession Number: ED183099.

Basic Educational Opportunity Grant Quality Control Study: Executive Summary.

Author/Institution: Errecart, Michael T.; And Others. Macro Systems, Inc. Silver Spring, Md. Westat Research, Inc. Rockville, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: November 1979

Abstract: A study was undertaken of the Basic Educational Opportunity Grant (BEOG) program to estimate the extent of errors made by participants and the impact of the errors on program expenditures. A sample of BEOG applicants was asked to verify the data provided on applications. Then their financial aid records and related institutional computations were examined for verification. Response rates were 87 percent for the student/parent interviews and 100 percent for institutional data. Although the amount of data available for each student varied considerably, efforts were made to verify information carefully. Key errors were found in these areas: (1) filing as dependent versus independent student; (2) net over-awards of 10.5 percent of program expenditures, and dollar award errors (under- and over-awards) of 22.5 percent of program expenditures; (3) significant random error, with only small amounts of fraud or abuse; and (4) institutional errors amounting to $169 million, with the highest error rate in proprietary schools and the lowest in private institutions. It is concluded that the general error level justifies a thorough reevaluation of the BEOG delivery system, since it appears to be a complex error-prone system. Actions for improvement are proposed for the student and institutional sectors.

ERIC Accession Number: ED183097.

Basic Educational Opportunity Grant Quality Control Study: Findings and Recommendations, Volume 1.

Author/Institution: Errecart, Michael T.; And Others. Macro Systems, Inc. Silver Spring, Md. Westat Research, Inc. Rockville, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: November 1979

Abstract: Findings and recommendations of the Basic Educational Opportunity Grant Control Study Volume 1 are presented. The culmination of a year of intensive effort in which the study was designed and data collection and analysis conducted is evaluated, with focus on improvement of the Basic Grant Program. The introductory chapter discusses the background of this study emphasizing the limitations and scope of the control study and the basic organization of this volume. Chapter 2, the Basic Grant Cycle, presents an analysis of eligibility index and award errors keyed to the application cycle. Chapter 3, Institutional Feedback on BSFA Activities, examines data from institutional interviews, which focus on the problems, suggestions, and perceptions of postsecondary institutions regarding BSFA services. Chapter 4, Institutional Practices, deals with institutional procedures and practices, again based on interview data and school publications. A concluding section reviews student sector actions, institutional sector actions, and other actions. Comprehensive statistical data and tables are included, such as evaluation of application instructions, result of verification process, BSFA area desk experience, flow chart of the Basic Educational Opportunity Grant Program application and award process, and distribution of award errors.

ERIC Accession Number: ED183098.

Validation of Student and Parent Reported Data on the Basic Grant Application Form. Project Summary.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: December 13, 1979

Abstract: Results of studies to assess accuracy of information reported by applicants to the Basic Educational Opportunity Grant (BEOG) program are summarized. Attention is also focused on applicant characteristics and corrective actions taken as a result of the studies. Overall, the studies found that the majority of BEOG applicants reported income accurately. Between 1974-1975 and 1976-1977, however, there was a decrease in the accuracy of reported income: accuracy of income reported by ineligible applicants remained relatively stable, while a greater decrease was evident for the eligibles. Applicants in the higher income ranges also showed a decrease in accuracy. It was determined that an application correction process that was intended to increase accuracy actually allowed applicants to submit incorrect data. When information provided on the BEOG application and federal income tax forms was inconsistent, incorrect eligibility determinations were also found. Corrective actions concerned: the pre-award validation, development of selective case action strategies, improvements to the application processing system, and improvements to the application form. Eight suggestions for future research on the BEOG application process are offered. (SW)

ERIC Accession Number: ED262730

Profiles of 1975-76 Supplemental Basic Grant Applicants.

Author/Institution: Walters, Pamela Barnhouse. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: 1979

Abstract: The nature and extent of misreporting by applicants for the Basic Educational Opportunity Grant program was investigated. Types of potential program abuse were assessed, along with the accuracy of income estimates that students make on Supplemental Basic Grant applications, which are the basis for determining a student's eligibility. Attention was directed to: characteristics of a sample of 2,479 students using the Supplemental Basic Grant application in 1975-1976, types of changes made to applicants' Student Eligibility Reports between the the regular and supplemental applications submitted in 1975-1976, and the kinds of applications the sample filed in 1974-1975 and 1976-1977. The supplemental application recognizes that students' previous year financial resources are not always a valid basis for predicting current financial strength and determining eligibility. Findings of the report include: applicants made fairly accurate estimates of their 1975 adjusted gross income; 58 percent of the sample were dependent and 42 percent were independent students; the predominant reasons for filing 1975-1976 supplemental applications related to unemployment of the student, parent, or spouse; and less than one-fourth filed a 1974-1975 application, while almost two-thirds filed a 1976-1977 application.

ERIC Accession Number: ED262725

Logistics and Sampling Plan for Task 2: 1979-1980 IRS Comparison Study. Quality Control Analysis of Selected Aspects of Programs Administered by the Bureau of Student Financial Assistance

Author/Institution: Walker, Gail; Kuchak, JoAnn. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: January 14, 1980

Abstract: The type, number, and scope of errors on Basic Educational Opportunity Grant (BEOG) program applications were estimated in a replication of a 1976-1977 Internal Revenue Service (IRS) Comparison Study. Information reported on BEOG applicants and IRS income tax returns was compared for various categories of applicants. The study provides information on the impact of major quality control initiatives undertaken by BEOG during the 1978-1979 academic year, preaward validation (PAV), and the revisions to the application processing system edits. BEOG applicant files that were matched with IRS files consist of: 1979-1980 BEOG regular applicants with 1978 IRS file; 1979-1980 BEOG supplemental applicants with 1979 IRS file, and 1978-1979 BEOG quality control study group with 1977 IRS file. The PAV Study objectives center on assessing the relative efficacy of the validation process and the pre-established criteria for selecting applicants most likely to misreport information. Information is included on the logistics and sampling plans (e.g., selection of the preliminary sample, obtaining parents' social security number, finalizing the sample, IRS data extraction, and merging the IRS and BEOG data). Several procedural flowcharts are among the exhibits.

ERIC Accession Number: ED267686

Quality Control Analysis of Selected Aspects of Programs Administered by the Bureau of Student Financial Assistance. Task 1 and Quality Control Sample; Error-Prone Modeling Analysis Plan.

Author/Institution: Saavedra, Pedro; and Others. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Bureau of Student Financial Assistance (DHEW/OE), Washington, D.C.

Publication Date: March 31, 1980

Abstract: Parameters and procedures for developing an error-prone model (EPM) to predict financial aid applicants who are likely to misreport on Basic Educational Opportunity Grant (BEOG) applications are introduced. Specifications to adapt these general parameters to secondary data analysis of the Validation, Edits, and Applications Processing Systems (Task 1) are also provided. After briefly discussing three approaches to error-prone modeling that are used at the state and federal levels, four types of validation applicants are identified: exact reporters, overclaimers, underclaimers, and validation dropouts. The research method, automatic interaction detection (AID), is described, and two ways to report the results of an AID analysis (a tree diagram and tabular format) are illustrated. Additional methodological issues are covered: the three study samples (working sample, replication sample, and nonvalidation sample); selecting and coding predictor variables; and the effectiveness of the model as indicated by a contingency coefficient. Flow charts illustrate the steps of the study, as well as the classification of applicants into validation types. Also outlined is a strategy for analyzing the quality control sample, which is derived from the 1978-1979 applicant file. Appendices detail the statistical analysis method.

ERIC Accession Number: ED264754

BEOG Validation--What is the Effect.

Author/Institution: Pittman, Nancy A.

Source: Journal of Student Financial Aid

Publication Date: May 1980

Abstract: A study of 89 Basic Educational Opportunity Grants requiring validation disclosed some disheartening data: an overall total understatement of $54,982 in adjusted gross income and a total overstatement of $1,164 paid in U.S. income taxes. This data was compared to the institutional cost of the validation process.

ERIC Accession Number: EJ248847.

Study of Program Management Procedures in the Basic Grant and Campus Based Programs. Final Report, Vol. 1: The Institutional Administration of Student Financial Aid Programs.

Author/Institution: Applied Management Sciences, Inc. Silver Spring, Md.

Sponsoring Agency: Department of Education, Washington, D.C.

Publication Date: May 1980

Abstract: The institutional administration of student financial aid programs is examined in this first of a two-volume study on program management procedures in the Basic Grant and Campus Based assistance programs. Sections I and II begin by sketching the background and context of the subject of student aid with emphasis on institutional practices, i.e. the history of its development, a review of the existing literature, and a discussion of the distribution of Federal student aid funds. Section III begins with a profile of institutional financial aid office operations and concludes with a discussion of the interface between these offices and the Federal government. The final sections explore various aspects of the role of the institution regarding student need analysis, budgeting, aid packaging, loan management, student information, monitoring and validation. Appendices include major project deliverables and the current financial aid programs administered by the U.S. Department of Education. Exhibits, figures, and tables offer statistical support throughout the report.

ERIC Accession Number: ED189983.

Quality Control Analysis of Selected Aspects of Programs Administered by the Bureau of Student Financial Assistance. Error-Prone Model Derived from 1978-1979 Quality Control Study. Data Report. [Task 3.]

Author/Institution: Saavedra, Pedro; Kuchak, JoAnn. Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: August 29, 1980

Abstract: An error-prone model (EPM) to predict financial aid applicants who are likely to misreport on Basic Educational Opportunity Grant (BEOG) applications was developed, based on interviews conducted with a quality control sample of 1,791 students during 1978-1979. The model was designed to identify corrective methods appropriate for different types of applicants. During interviews, applicants provided documentation regarding the information they provided on the Student Eligibility Report (SER). An analytical method known as sequential search analysis or automatic interaction detection (AID) was used to classify applicants into groups. About 32 percent of the students reported themselves as independent and almost 68 percent as dependent on the SER. The sample included 52.3 percent misreporters: 20.1 percent underclaimers and 28.4 percent overclaimers. Ten dependent and seven independent groups emerged from the model. The 17 groups are discussed, and data for each group are provided on Student Eligibility Index values, assets, taxes, and percent of error. Misreporting patterns of the student groups are analyzed, and edits for underclaimers are briefly discussed. Recommendations for program improvement and for further research are offered, and the research methodology is detailed.

ERIC Accession Number: ED264755

Study of Program Management Procedures in the Basic Grant and Campus Based Programs: Analysis of the Institutional Administration of Student Financial Aid Programs Using Data Collected in the Institutional Mail Survey.

Author/Institution: Felder, Joseph; Ring, David. Applied Management Sciences, Inc. Silver Spring, Md.

Sponsoring Agency: Office of Program Evaluation (ED), Washington, D.C.

Publication Date: September 1980

Abstract: The effectiveness and efficiency of procedures employed by the federal government and participating education institutions to operate and manage the campus based and Basic Educational Opportunity Grant assistance programs are evaluated. Information was obtained by mail surveys of 756 colleges and universities. An overview is presented of the surveyed institutions, and the current condition and structure of their financial aid offices. The characteristics of schools that participate in the grant programs and of those that do not participate are described, as are reasons for nonparticipation. Factors affecting participation of students in the financial aid programs were analyzed, including counseling, consumer information, application processes, need determination, and aid packaging. A general model of aid packages is presented, which includes estimation of the cost of education, estimation of the financial resources of the aid applicant, and verification of data reported by applicants. Burdens and benefits of program oversight procedures (e.g. monitoring and validation) are analyzed for both institutions and the federal government. Administration of the National Direct Student Loan program is considered, including compliance with guidelines, characteristics of institutions, default rates, and student vs. school contributions to the default rate. Information on the research approach employed in this study and related studies is included.

ERIC Accession Number: ED194011.

Statistical Match of the VA 1979-1980 Recipient File against the 1979-1980 Basic Grant Recipient File. Revised.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: November 14, 1980

Abstract: The amount of misreporting of Veterans Administration (VA) benefits was assessed, along with the impact of misreporting on the Basic Educational Opportunity Grant (BEOG) program. Accurate financial information is needed to determine appropriate awards. The analysis revealed: over 97% of VA beneficiaries misreported benefits; the total net loss to the BEOG program due to misreporting of VA benefits was less than $2 million in 1979-1980; the overreporting of VA benefits was the most common problem; no systematic variation in the likelihood of misreporting of VA benefits was found for the different times of year the BEOG application is filed or when comparing the dependent/independent status of applicants; the majority of misreporting applicants actually overreported the level of benefits they received from the VA program, which caused applicants to qualify for lower levels of BEOG benefits; validation affected misreporting of VA benefits by shifting the type of error from overreporting to underreporting and increasing the loss to the BEOG program due to overpayments to more students; current computer system edits applicable to the VA benefits issue appeared to cause at least a proportion of applicants to shift to overreporting from underreporting VA benefits; and the monthly benefit amount changed at least once annually for 80% of VA recipients. Ten data tables are provided.

ERIC Accession Number: ED267685

Doing Away with the SER (as a Payment Device).

Author/Institution: Moulton, Walter H.

Source: Journal of Student Financial Aid

Publication Date: November 1980

Abstract: Changes in the payment and reporting procedures of the Basic Educational Opportunity Grants are proposed. Removing the Student Eligibility Report (SER) as a payment device is advocated. The SER is useful as an acknowledgement form to the applicant, a data correction device, and a document to begin validation efforts.

ERIC Accession Number: EJ248851.

A Report by the Board of Regents to the Governor and Legislature on State Student Financial Aid Programs.

Author/Institution: New York State Education Dept. Albany.

Publication Date: December 1980

Abstract: The present scope and operation of New York State's financial aid programs, and improvements recommended by the Board of Regents, are examined and recent developments in the state's programs are reported. The Guaranteed Student Loan program showed the greatest increase in activity of all the state-administered student aid programs. Tuition assistance payments (TAP) increased from 1978-1979 to 1979-80, and the estimated number of undergraduate TAP recipients in 1979-80 increased by 13.5 percent over 1978-79. At the graduate level, there was an overall decrease of 4.2 percent in TAP recipients. Beginning in the 1979-80 academic year, the New York Higher Education Services Corporation implemented a system of income verification for all TAP recipients and their families. A new variable prepayment system for state awards has also been implemented. Among the recommendations to improve the state student financial assistance programs are the following: changes in income schedules and scales for undergraduate and graduate TAP awards; extension of eligibility for TAP awards to part-time undergraduates; and a comprehensive program of graduate student aid. Data on state-administered student aid programs and on other federal student aid programs in New York are assessed, and the relationship of state and federal aid programs is considered.

ERIC Accession Number: ED208695.

College and University Cost-Productivity Models for Administrative Areas: Case Study: Student Financial Aid Administration.

Author/Institution: Fox, Dallas R.; And Others.

Source: Paper presented at the Joint Conference of the Southern Association for Institutional Research and the North Carolina Association for Institutional Research (Charlotte, NC, October 29-30, 1981)

Publication Date: October 1981

Abstract: The institutional programmatic and workload factors that have influential effects on the costs of administering the student financial aid (SFA) service were studied, based on a survey of 51 public universities. Thirty-two of the sample were chosen due to their similarities with the University of Florida, and the remaining were members of the Southern University Group of 25, a data sharing consortium. Only 21 of the returned questionnaires had sufficient data to be included in the analysis. Findings generally support the hypotheses that the expenditure and staffing levels of the SFA service can be empirically estimated by using various measures of workload. Both workload factors and staffing requirements appear to be closely related to the level of SFA expenditures. In addition, workload factors are also influential in explaining staffing levels, but this relationship is not as strong as the relationship between workload and expenditures. Variables that were examined in relationship to expenditures include: the number of headcount students, the number of individual programs supported by the SFA office, the university structure, the number of awards granted to students, the average number of revisions in aid awards, SFA staff-student contacts, and time involved in the validation of Pell application forms. Two conclusions that can be drawn from the findings are that there are fairly consistent relationships among the noted variables across the universities, and that expenditures can be expected to increase proportionately with increases in workload variables. Empirical models of expenditure and staffing requirements were developed. These models and a sample questionnaire are appended.

ERIC Accession Number: ED212219.

Legislative and Administrative Changes To Improve Verification of Welfare Recipients' Income and Assets Could Save Hundreds of Millions

Author/Institution: U.S. General Accounting Office

Publication Date: January 14, 1982

Abstract: Underreporting of income and assets by recipients of benefits from needs-based programs--whether deliberate or otherwise--results in hundreds of millions of dollars of improper payments each year. Current verification requirements and practices are not adequate to prevent such payments. Verification requirements vary widely, but generally are extremely vague or overly restrictive. Furthermore, some Federal laws and regulations preclude the use of information which, if available, would significantly enhance the verification process.

GAO recommends that the Congress eliminate the present restrictions on the use of certain data for verifying eligibility and determining benefit amounts in needs-based programs.

GAO Report Number: HRD-82-9

1979-80 Internal Revenue Service Comparison Study. Final Report.

Author/Institution: Applied Management Sciences, Inc., Silver Spring, Md.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: February 4, 1982

Abstract: Application forms for the Basic Educational Opportunity Grant (BEOG) program for 1979-1980 were compared to 1978 tax forms filed with the Internal Revenue Service (IRS). Comparisons were also made to data from similar 1974-1975 and 1976-1977 studies. Based on a sample of 407,596 applicants, findings include the following: between 1976-1977 and 1979-1980, low income applicants (under $4,000) showed decreases in reporting accuracy for adjusted gross income (AGI), while those with incomes above 12,500 showed decreases in the accuracy of BEOG-reported AGI; during 1979-1980, 64 percent of the sample reported AGI within $50 of Internal Revenue Service reported data; income was underreported by over $5,000 more often by nonrecipients than by recipients; AGI under-reporting was higher for independent students than for dependent students; BEOG-reported figures and IRS data on household size were identical for 72 percent of applicants; 75 percent of all applicants' IRS-based Student Eligibility Indexes (SEIs) were within 50 points of their BEOG SEIs; and 31 percent of all very low income applicants (under $1,000) evidenced IRS-based SEIs that were over 500 points higher than their BEOG SEIs. Information is also provided on the effects of edits and pre-award validation. Statistical findings are included in approximately 100 tables.

ERIC Accession Number: ED262735

Quality Control (QC) System Development for the Pell Grant Program: A Conceptual Framework

Author/Institution: Advanced Technology, Inc., Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: March 1, 1982

Abstract: The objectives of the Pell Grant quality control (QC) system and the general definition of QC are considered. Attention is also directed to: the objectives of the Stage II Pell Grant QC system design and testing project, the approach used to develop the QC system, and the interface of the QC system and the Pell Grant delivery system. The comprehensive and strategic approaches to QC system development are compared using the following objectives for the QC system as evaluative criteria: reduce error in the Pell Grant program, maintain flexibility to add additional programs, pilot test QC system components, and produce a sound QC methodology. The following QC options are assessed with attention to feasibility, potential for reducing error, developmental costs, and interface with delivery system: a manual QC system with new data sources, a combined automated/manual QC system with new data sources, a combined automated/manual system with existing data sources, and a fully automated, integrated system. A combined system with existing data sources is recommended. Appended are preliminary descriptions of QC subsystems that cover the Office of Student Financial Aid subsystem, the institutional subsystem, the Pell processor subsystem, and the student (applicant) subsystem.

ERIC Accession Number: ED254167

Quality in the Basic Grant Delivery System: Volume 1, Findings.

Author/Institution: Advanced Technology, Inc. McLean, Va.
Westat Research, Inc. Rockville, Md.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: April 1982

Abstract: Detailed findings from the first stage of the Basic Educational Opportunity Grant (BEOG) quality control project are presented. For the 4,500 students selected as representative of the BEOG, or Pell Grant, recipient population as of Fall 1980, data were collected from: federal tax returns, interviews with student recipients and their parents, tax assessors' statements regarding home values, student records on file in college financial aid offices, and interviews with financial aid administrators describing the characteristics and administrative practices at their institutions. Total dollar error is estimated to be $275 per recipient, or $650 million of the $2.2 billion awarded to the 2.36 million recipients represented by the study sample. The $650 million in dollar error was composed of $526 million in over-awards to 50 percent of the recipients and $124 million in underawards to 21 percent of the recipients. Approximately 19 percent of the recipients should have been ineligible for any award, and all errors related to institutional procedures resulted in $181 million in net overaward. Information is provided on recipient error, data entry error, institutional error, error-prone profiling, and BEOG validation. Comparisons are also presented of 1978-1979 and 1980-1981 error. Appended materials include responses to questionnaire items for the student questionnaire, parent questionnaire, student record abstract, and institutional interview; and a discussion of experimental bias and implications for campus-based aid.

ERIC Accession Number: ED217789.

Quality in the Basic Grant Delivery System: Volume 3, Methodology.

Author/Institution: Advanced Technology, Inc. McLean, Va. Westat Research, Inc. Rockville, Md.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: April 1982

Abstract: The research methodology of a study to assess 1980-1981 award accuracy of the Basic Educational Opportunity Grants (BEOG), or Pell grants, is described. The study is the first stage of a three-stage quality control project. During the spring of 1981 a nationally representative sample of 305 public, private, and proprietary institutions was visited. The financial aid administrator at each institution was interviewed and asked to describe the institution's BEOG processing procedure. At each institution, data from a random sample of an average of 14 financial aid records were reviewed and transcribed. In all, data were collected from 4,500 BEOG recipient records. These recipients and their parents were interviewed, asked about their general experiences in dealing with the application process, and asked to provide documents to verify the income and household information on their application forms. In addition, data were collected from the Internal Revenue Service, tax assessors, and financial institutions as additional verification of the information that the students in the survey placed on their applications. Information is presented concerning the rationale and specific procedures used to select a statistically representative sample of institutions and students; the response rates for the survey of students and parents; institutional and student/parent field data collection; and procedures used to compile, edit, and convert the survey data to machine-readable tapes used for statistical analysis. Attention is also directed to the methodology and procedures used in the special analysis of BEOG application processor data entry error.

ERIC Accession Number: ED217791.

Preliminary Quality Control System Design for the Pell Grant Program.

Author/Institution: Advanced Technology, Inc., Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: June 1982

Abstract: A preliminary design for a quality control (QC) system for the Pell Grant Program is proposed, based on the needs of the Office of Student Financial Assistance (OSFA). The applicability of the general design for other student aid programs administered by OSFA is also considered. The following steps included in a strategic approach to QC system design and testing are discussed: conducting a functional analysis of the current delivery system and conceptualizing QC system modular components. QC requirements at the policy, management, and operations levels are analyzed for the Pell Grant program, and a preliminary modular design for a Pell Grant QC system is provided. This system is composed of a series of modular components that can be developed independently, in an incremental phased fashion. Ways that the QC system design can be expanded to include the Guaranteed Student Loan program and campus-based aid programs are also discussed. Also considered are general strategies for proceeding with the system design effort, including consideration of the policy mechanisms required to develop corrective actions designed to reduce error in the delivery system. Appended is an outline of the components of the annual assessment of payment error in the Pell Grant program.

ERIC Accession Number: ED254158

Development and Use of Error-Prone Models to Supplement Pre-Established Criteria (PEC) in Selecting Pell Grant Recipients for Validation.

Author/Institution: Advanced Technology, Inc., Reston, VA.; Westat Research, Inc., Rockville, Md.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: December 1982

Abstract: The development of a number of error-prone models to select Pell Grant recipients for validation is discussed. The 1983-1984 Pell Grant validation strategy consists of a two-stage approach: selection using Pre-Established Criteria (PEC) followed by selection using Error Prone Modeling (EMP). The database used for model development consists of a sample of 1980-1981 Pell Grant Recipients. The policy question is which students should be selected for various types of validation measures. Eight effectiveness measures are defined, and for each measure an error-prone model is developed that will identify those cases for which the corresponding type of validations will uncover the highest level of error. The data elements include: income, U.S. taxes paid, household size, nontaxable income, liquid assets, spouse income, and dependency status. The eight models are then compared in order to identify the most cost-effective approach to marginal selection for validation. The measures refer only to the payment consequences of discrepancies likely to be uncovered by the corresponding type of validation being used. Detailed appendices include EPM error tables and Automatic Interaction Detector coding categories for predictor variables.

ERIC Accession Number: ED254148

Preliminary Report on Assessment of 1982-83 Pell Grant Validation Procedures

Author/Institution: Advanced Technology, Inc., Reston, VA; Westat Research, Inc., Rockville, MD.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: February 1983

Abstract: The extent to which colleges are complying with the 1982-1983 Pell Grant validation requirements was assessed. Fall 1982 financial aid data were drawn from a representative sample of 3,490 Pell Grant recipients at 317 colleges that are part of the Regular Disbursement System. Key findings show: (1) the vast majority of institutions collect the required verifying documentations for their students who are "flagged" for validation by the U.S. Department of Education; (2) about 78 percent of the flagged recipients satisfied the validation requirements by providing a signed copy of their federal tax return or other verification; (3) the great majority of institutions appeared to be identifying incorrect application entries in the cases of recipients flagged for validation; (4) for most of the documented cases, the application item discrepancies were small; (5) about 2 percent of the documented flagged cases had out-of-tolerance differences that would lead to a change in the student's expected award; and (6) about 6 percent of the documented flagged cases had differences within tolerance that would lead to a payment change. Appended are study findings and information on the sampling methodology.

ERIC Accession Number: ED254155

Technical Specifications for Conducting an Annual Assessment of Overall Payment Error in the Pell Grant Program

Author/Institution: Advanced Technology, Inc., Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington DC.

Publication Date: February 1983

Abstract: The issues, options, and procedures for annually measuring overall payment error in the Pell Grant program are specified in detail. Guidelines for establishing a definition of Pell Grant payment error are provided, and the design issues related to error measurement are examined. A comparison is made of options for selecting a study sample and for collecting data required to measure payment error. Data collection procedures are specified in detail, along with procedures needed to create a study database from the collected data. Guidelines for data analysis are also included. The correct award to students is based on such factors as enrollment status and student costs. Error measurement in the Pell program involves time-related research design factors, all of which must be understood when planning the data collection effort and when analyzing the data. Data collection activities are outlined for sample selection, student/parent interviewing, collecting hardcopy secondary data, and collecting data from institutions. Tasks and procedures required to create the database include: receipt of data, editing and coding, data entry, machine edit and updating, reformatting files for analysis package, producing marginal tabulations, merging data files, and reviewing case for quality control. Appended are: a glossary; a description of measurement tolerances of error in the program; algebraic specifications of error measures; and an estimate of requirements for conducting an assessment of overall payment error in the Pell Grant program.

ERIC Accession Number: ED254156

An Analysis of Quality Control Regulations for Selected Federal Entitlement Programs.

Author/Institution: Advanced Technology, Inc., Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: November 1983

Abstract: Quality Control (QC) regulations for the following federal entitlement programs are discussed: Aid to Families with Dependent Children (AFDC), Medicaid, Supplemental Security Income Program, and Food Stamp Program. Implications of these QC procedures and for the Department of Education's approach to QC regulations are also considered. Each set of regulations dealing with QC in the program is described according to several characteristics, including programmatic relationships among the federal, state, and local governments; QC responsibilities and procedures; standards and measures; frequency of reporting; and incentives. It is concluded that the structure of the delivery system is a critical factor in determining the regulatory approach to QC taken by federal agencies. Results of the review include: the regulations mandate the inclusion of not only computation and reporting of error rates, but also the development and implementation of corrective action plans; standards, measures, and frequency of computing and reporting measures are fairly consistent across programs; most regulations identify both positive and negative incentives; and the character of the regulations differ across agencies.

ERIC Accession Number: ED254165

Development of the 1984-85 Validation Selection Criteria: The Eclectic Error Prone Model.

Author/Institution: Advanced Technology, Inc., Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: March 1984

Abstract: The development of the error prone model (EPM) for the 1984-85 student financial aid validation criteria for Pell Grant recipient selection is discussed, based on a comparison of the 1983-84 EPM criteria and a newly estimated EPM. Procedures/assumptions on which the new EPM was based include: a sample of 1982-83 Pell Grant recipients originally selected for the Pell Grant Quality Control Study was used for estimation; cases assumed to have met the Pre-Established Criteria were excluded from the estimation database; and the model was based on an exploratory data analysis approach embedded in the Automatic Interaction Detector (AID) software package. To develop the new EPM, error was defined as the potential change in the Student Aid Index resulting from validation on four application items: household size, U.S. taxes, adjusted gross income of dependent parents or independent students, and student/spouse net income for dependent students. The 41 application items that were considered as possible variables for predicting errors are identified. Information is also provided on the 18 final groups that emerged from the AID sequential search estimating procedure. Appended are descriptions of the 28 validation criteria for 1984-1985.

ERIC Accession Number: ED254147

Quality in the Pell Grant Delivery System. Executive Summary.

Author/Institution: Advanced Technology, Inc. Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: April 30, 1984

Abstract: The Pell Grant Quality Control Study of 1982-83, the third stage of a contract with the Department of Education, was designed to identify program error rate, to measure the impact of increased validation activity, and to propose corrective actions to reduce the misallocation of program funds. A nationally representative sample of approximately 4,000 students was drawn from a stratified random sample of 317 participating institutions. The results showed that Pell Grant recipients in 1982-83 were granted $129, or 13 percent, more than they should have been. Both student and institutional error dropped between 1980-81 and 1982-83. The study confirmed that institutions complied with the revised validation requirements for the Pell Grant program in 1982-83, reflected in a $22 million reduction in the net Adjusted Gross Income error. Several correction action alternatives are presented to further reduce both student and institutional error. Stage One of this study determined program-wide rates of discrepancy between actual awards and what should have been awarded. Stage Two began the design of a quality control system for the Pell program, performed some error analyses, and prepared corrective action recommendations for specific features of related student aid programs. Stage Three, a replication with significant improvements of Stage One, has the additional objective of determining changes in program error over time. Stage Three also includes an assessment of the degree to which institutions are fulfilling their responsibilities with regard to the expanded validation requirement.

ERIC Assession Number: ED243404.

Quality in the Pell Grant Delivery System. Volume 1: Findings.

Author/Institution: Advanced Technology, Inc. Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: April 30, 1984

Abstract: The Pell Grant Quality Control Study of 1982-83, the third stage of a contract with the Department of Education, was designed to identify program error rate, to measure the impact of increased validation activity, and to propose corrective actions to reduce the misallocation of program funds. A nationally representative sample of approximately 4,000 students was drawn from a stratified random sample of 317 participating institutions. The results showed that Pell Grant recipients in 1982-83 were granted $129, or 13 percent, more than they should have been. Both student and institutional error dropped between 1980-81 and 1982-83. The study confirmed that institutions complied with the revised validation requirements for the Pell Grant program in 1982-83, reflected in a $22 million reduction in the net Adjusted Gross Income error. The findings are presented in Volume 1 in terms of an overview of program-wide error, institutional error, student error, validation, and trends. In general, it is concluded that (1) the upward trend in error noted in 1980-81 has been turned around, and (2) the amount of overawards has decreased while the amount of underawards has increased. Appended are error definitions and equations.

ERIC Accession Number: ED243405

Quality in the Pell Grant Delivery System. Volume 2: Corrective Actions.

Author/Institution: Advanced Technology, Inc. Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: April 30, 1984

Abstract: The Pell Grant Quality Control Study of 1982-83 was designed to identify program error rate, to measure the impact of increased validation activity, and to propose corrective actions to reduce the misallocation of program funds. A sample of approxiamtely 4,000 students drawn from a sample of 317 participating institutions showed that Pell Grant recipients in 1982-83 were granted 13 percent more than they should have been, although both student and institutional error dropped from 1980-81. The study confirmed that institutions complied with the revised validation requirements for the Pell Grant program in 1982-83. Several corrective action alternatives are presented in Volume 2 to further reduce both student and institutional error. The role of corrective actions are discussed in the context of quality control. The effectiveness of prior corrective actions, including simplification of the Pell Grant payment schedule and in-year updating of enrollment status are examined. Recommendations are offered for reducing application and institutional errors regarding: improper identification of dependency status; incorrect reporting of other non-taxable income, household size, number in postsecondary education, adjusted gross income, cost of attendance, and income of dependent students; incorrect determination of enrollment status; incorrect award calcuation or disbursement; and no financial aid transcript for transferred students. Additional recommendations are given for keeping error out of the application process and for formalizing the role of the institution in quality control.

ERIC Accession Number: ED243406

Quality in the Pell Grant Delivery System. Volume 3: Procedures and Methods. Final Report.

Author/Institution: Advanced Technology, Inc. Reston, VA.

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: April 30, 1984

Abstract: The Pell Grant Quality Control Study of 1982-83 was designed to indentify program error rate, to measure the impact of increased validation activity, and to propose corrective actions to reduce the misallocation of program funds. A sample of approximately 4,000 students was drawn from a stratified random sample of 317 participating institutions. The results showed that Pell Grant recipients in 1982-83 were granted 13 percent more than they should have been, although both student and institutional error dropped from 1980-81. The study confirmed that institutions complied with the revised validation requirements for the Pell Grant program in 1982-83. Volume 3 of this study reports on the procedures and methods used in the investigation. It includes: (1) sample section (sampling plan, sampling frame, selection of students from sample institutions); (2) institutional visits (data collectors, scheduling, training, field supervision, etc.); (3) student and parent data collection (supervisor and interviewer training, field operations, the Automated Survey Control System, secondary data collection); (4) data processing (institutional data, individual data); (5) data analysis (best value selection, detailed research questions, statistical analysis, control groups); and (6) survey response rates (institutional response rates, student and parent survey responses, variance estimates).

ERIC Accession Number: ED243407

GAO Observations on the Use of Tax Return Information for Verification in Entitlement Programs

Author/Institution: U.S. General Accounting Office

Publication Date: June 1984

Abstract: The lack of data to verify income and assets reported by applicants and recipients in entitlement programs has contributed to significant overpayments--an estimated $1 billion for five programs in fiscal year 1982. Tax return information on earned and unearned income would help fill this need for data. The Congressional Budget Office estimates that $1.5 billion could be saved over a 5-year period in only three programs if unearned income information alone were made available.

The benefits which could accrue from using these data in entitlement programs and the lack of comparable alternative data sources argue strongly for disclosing the tax return information, if proper safeguards are in place to protect it. Because of privacy concerns and the potential impact on voluntary tax compliance, tax return information should only be disclosed for non-tax purposes when there is a compelling need. During disclosure and use of the information, agencies must ensure that it is adequately safeguarded to protect its confidentiality and that individuals' due process rights are observed.

GAO Report Number: HRD-84-72

Analysis of Error Associated with the Application and Allocation Aspects of the Campus-Based Program: Plan for Remaining QC IV Stage 1 Analysis

Author/Institution: Advanced Technology, Inc., Reston, VA

Sponsoring Agency: Office of Student Financial Assistance (ED), Washington, DC.

Publication Date: October 1984

Abstract: The impact of data discrepancies made by colleges on the Fiscal Operations Report and Application to Participate (FISAP) is addressed, with attention to both impact on the entire aid program and resource allocation to institutions. Brief descriptions are provided of the allocation formulas for the three campus-based aid programs (Supplemental Education Opportunity Grants, National Direct Student Loans, and the College Work-Study program). The recomputation of national and state fair share allocations requires two steps: recomputation of institutional need for each program, and estimation of changes to allocations using Department of Education worksheets. The final step is to develop a national estimate of changes in institutional allocations. In developing error profiles, one focus is on institutions, and the results may lead to selection criteria for increased edit checks or data verification. Another focus of the profiles is the data discrepancy itself and the causes of the errors. Included is a list of FISAP data that have been examined as part of the Department of Education Quality Control Project, along with information on the types and frequency of discrepancies that have not yet been corrected.

ERIC Accession Number: ED 254 173

Eligibility Verification and Privacy in Federal Benefit Programs: A Delicate Balance

Author/Institution: U.S. General Accounting Office

Publication Date: March 1, 1985

Abstract: Federal outlays for benefit programs in fiscal year 1985 are estimated to be more than $400 billion--about 45 percent of the national budget.

Inadequate verification of clients' eligibility for these programs contributes to erroneous payments of several billion dollars annually. Efforts continue to reduce these errors and strengthen program integrity, but such efforts raise concerns about excessive intrusions into individual privacy.

Balancing the competing goals of improving eligibility verification and protecting individual privacy is both difficult and controversial. This report presents issues that GAO believes that Congress and others should consider in properly balancing the two goals.

GAO Report Number: HRD-85-22

Pell Grant Validation Imposes Some Costs and Does Not Greatly Reduce Award Errors: New Strategies Are Needed

Author/Institution: U.S. General Accounting Office

Publication Date: September 27, 1986

Abstract: In 1982-83, in an effort to reduce the continuing problem of error in awarding Pell grants for postsecondary education, the Department of Education increased to 1.66 million the number of applicants who must document or "validate" their eligibility. This increased validation imposed some costs and burdens on the schools and had some impacts on students, although the estimated cost to institutions was less than 1 percent of the total Pell program, which provided $2.4 billion in grants in the 1982-83 school year. This smaller-than-1-percent cost (about $23 million) was not, however, offset, since only about $22 million was clearly saved.

The Department's studies, while limited in some respects, identify continuing problems with award accuracy. The error is sizable: underawards and overawards totaled an estimated $649 million in 1982-83, despite the increased validation. The error is also persistent: the proportion of cases with student error has not decreased. Further, the Department's policy focused on student error and on overawards rather than on both institutional and student error and on both overawards and underawards.

A review of Department policies and procedures shows that improvements are needed in specifying error-reduction goals, developing and testing a broader set of strategies to meet these goals, coordinating the management of error-reduction efforts, and evaluating their effects.

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